California's Housing Supply

Changes in California's housing supply reflects various demographic and economic shifts that have affected households in the State during the 1990s. The following discussion highlights key characteristics of the housing stock, using recent information, when available, to assess changes that may impact the quality of life and economic prospects of State residents.

Characteristics of the Housing Supply

Housing for California's residents is provided by more than 11 million housing units located in urban, suburban and non-metropolitan locations within the State. This housing offers a diverse range of accommodations for owners and renters (see Table 6). As of 1997, more than 67 percent of the State's housing was provided through individual housing units (including single-family attached and detached dwellings, and mobilehomes). Nearly one-quarter of the total stock was located in large-scale multifamily buildings (five or more units in structure). The proportion of two- to four-unit structures, while continuing to decline, accounted for the remaining 9 percent of the housing stock.

During the past three decades, single-family detached structures have declined as a proportion of the overall housing stock, while attached single-family housing, mobilehomes and multifamily housing have increasingly provided housing opportunities for residents. While the proportion of housing in single-family units has increased since 1990, larger-scale multifamily projects have also increased, reflecting the underlying impact of rising land costs and the constrained affordability of housing throughout the State.

Moreover, statewide estimates mask the diversity of housing within the State. While overall levels of stock in single-unit structures (i.e., single-family detached, single-family attached, and mobilehomes) provide about two-thirds of statewide housing supply, these units are consistently more important components of housing supply in the Central Valley and many non-metropolitan markets, where up to 95 percent of all units are single-family. Single unit structures are significantly less prevalent in Los Angeles County, San Francisco, and San Diego.

Table 6.
Number of Units in California Structures 1970 to 1997
(in percent)

Units in Structure	1970	1980	1990	1997
1-detached	64.2	57	54.7	55.4
1-attached	2.9	5.4	7.3	7.0
2-4	10.2	9.4	8.7	8.4
5+	19.9	24.0	23.3	24.3
Mobilehome	2.8	4.2	5.0	4.9
Other	n.a.	n.a	1.1	n.a
Total	100.00	100	100	100

Source: US Census, 1970 through 1990; California Department of Finance, California Population and Housing Estimates (E-5 Report), 1998.

Conversely, the stock of units in structures with five or more units is concentrated in the most urbanized counties within the State, accounting for a disproportionate share of housing supply in Los Angeles, San Diego and San Francisco counties. In non-metropolitan counties, units in these larger multifamily structures account for less than 10 percent of total supply.

Housing Changes During the Decade

Changes in the composition of the housing stock occur slowly. New construction is cyclical in nature, generally correlated to underlying economic conditions within the State (although it may lead or lag underlying changes in the economy). The pace of growth is reflected by building permits issued throughout the State. While permits do not perfectly mirror additions to the housing stock (due particularly to lags in construction and permits that do not result in construction), they are nonetheless strong indicators of changes in the State's housing supply during the decade.

Additions to the Housing Stock

Building permit activities in California have shifted dramatically during the 1990 to 1997 period (see Figure 19). Two factors are evident in examining permits since 1990. First, while building permits in California peaked in 1986, between 1987 and 1989, activity remained at about 250,000 permits annually. However, beginning in 1990, permit activity began declining, falling to slightly above 100,000 units in 1991 and reaching a minimum of about 83,000 in 1992 during the recession. However, despite a rebound in the State's economy, permit activity has remained low, only reaching 112,000 in 1997, despite the economic recovery. Overall permit levels have averaged only about 100,000 throughout the decade, one-half the level averaged throughout the 1980s. Manufactured home sales accounted for about 5.5 percent of total building activities in 1991, falling to between 3 and 3.5 percent of overall activity in the 1992 to 1997 period.

The underlying rate of construction has generally not kept pace with household formation during the 1990 to 1997 period. As discussed later in the section on Vacancy Rates, households have increased at a more rapid pace than housing stock, leading to decreased vacancy rates through much of the State.

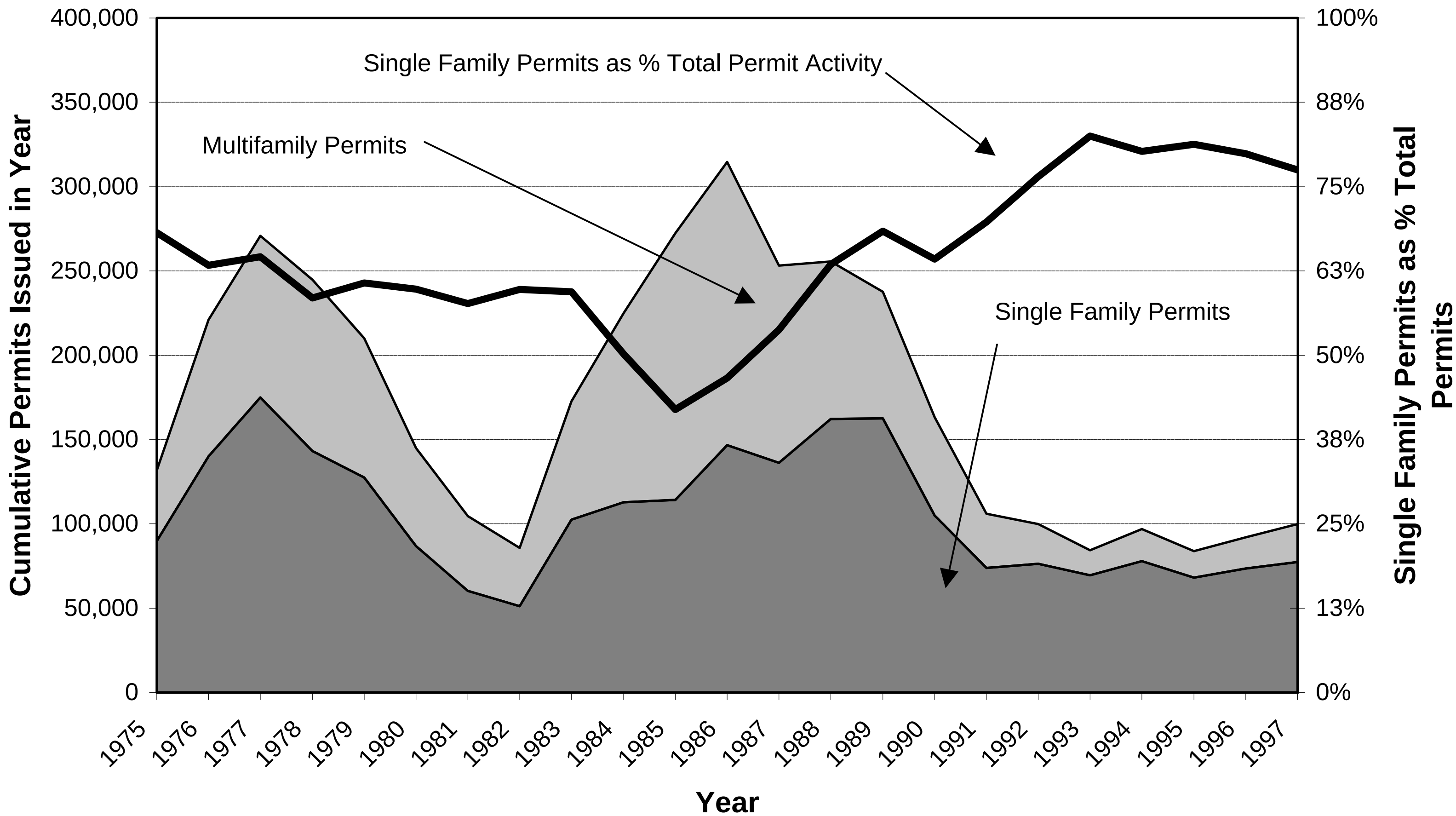
In addition, the composition of construction activity has shifted dramatically. Single-family permits accounted for about 60 percent of total permits in the early part of the 1980s (coincident with a recession during this period). Between 1986 and 1997, the proportion of single-family activities has increased, consistently accounting for more than two-thirds of permits. Moreover, while the relative concentration of construction in single-family homes has declined from a peak in 1992 (when it accounted for over 95 percent of activities), it continues to account for more than three-quarters of total permits through the end of 1997.

With few exceptions, the decline in permit activity and predominance of single-family construction has been evident throughout the State (see Table 7). Overall construction activities within all metropolitan areas remains depressed during the 1990s, and the concentration of activities in single-family construction remains. In no region did single-family construction fall below 70 percent of aggregate permits. Only in San Francisco County has multifamily construction provided a majority of permit activity. Moreover, with the exception of the Bay Area, there has been little shift in the composition of permits since the middle of the recession – despite an economic recovery throughout much of the State, overall construction activity continues to be dominated by single-family construction (see Table 7). In some locations, depressed multifamily construction is consistent with high multifamily

Figure 19

Building Permits in California

1975 to 1997



Source: Department of Housing and Community Development; US Census Bureau, C-40 Reports, various years.

Table 7

Total Building Permits (including Manufactured Homes for 1990 to 1996)

	1980 to 1984	1985 to 1989	1990 to 1994	1994 to 1996	1997	Permits 1980 to 1989	Permits 1990 to 1997	Single Family as % Total Permits, 1990 to 1997	Manuf. Homes 1990-1996 (see Note)	Manuf. Homes as % of Total Activity
Metropolitan Areas										
Greater Los Angeles										
Los Angeles County	129,934	279,625	67,565	15,494	10,424	409,559	93,483	54%	1,167	1.23%
Orange County	56,495	110,220	43,081	18,366	12,251	166,715	73,698	63%	117	0.16%
Riverside County	50,187	118,193	48,036	14,346	9,784	168,380	72,166	89%	3,755	4.95%
San Bernardino County	53,724	117,473	37,326	8,714	5,593	171,197	51,633	91%	443	0.85%
Ventura County	16,308	28,141	10,187	4,463	2,316	44,449	16,966	75%	487	0.98%
Imperial County*	1,983	3,008	4,338	844	327	4,991	5,509	76%	167	2.95%
Total Greater Los Angeles Region	**308,631**	**656,660**	**210,533**	**62,227**	**40,695**	**965,291**	**313,455**	**72%**	**6,135**	**1.92%**
Bay Area										
San Francisco County	5,998	9,308	4,570	1,741	1,721	15,306	8,032	14%	129	1.58%
Marin County	3,468	6,099	2,200	1,293	598	9,567	4,091	62%	18	0.43%
San Mateo County	7,297	13,495	3,978	2,411	1,519	20,792	7,908	64%	6	0.07%
Alameda County	25,899	39,727	13,731	6,310	6,500	65,626	26,541	72%	138	0.52%
Contra Costa County	24,904	46,670	19,438	6,890	3,514	71,574	29,842	85%	358	1.18%
Santa Clara County	29,020	36,522	19,191	10,975	8,810	65,542	38,976	53%	15	0.04%
Sonoma County	14,436	23,351	12,244	3,417	2,121	37,787	17,782	87%	170	0.95%
Solano County	9,463	25,492	8,618	2,598	1,542	34,955	12,758	89%	91	0.71%
Napa County	2,925	3,891	2,676	548	350	6,816	3,574	84%	513	12.56%
Total Bay Area Region	**123,410**	**204,555**	**86,646**	**36,183**	**26,675**	**327,965**	**149,504**	**70%**	**1,437**	**0.95%**
Sacramento										
Sacramento County	34,076	64,726	30,664	7,748	4,339	98,802	42,751	90%	613	1.41%
Placer County	8,395	17,045	11,737	5,412	3,837	25,440	20,986	90%	496	2.31%
El Dorado County	5,623	9,849	6,335	2,341	1,079	15,472	9,755	91%	1,434	12.82%
Sutter County	1,656	2,493	3,430	675	246	4,149	4,351	89%	50	1.13%
Yuba County	1,327	1,129	1,400	218	139	2,456	1,757	95%	173	8.97%
Yolo County	3,808	6,096	4,314	1,516	714	9,904	6,544	74%	502	7.12%
Total Sacramento Region	**54,885**	**101,338**	**57,880**	**17,910**	**10,354**	**156,223**	**86,144**	**89%**	**3,268**	**3.65%**
Central Valley										
Fresno County	20,701	29,591	23,315	7,346	2,756	50,292	33,417	84%	314	0.93%
Madera County	2,846	4,195	5,179	1,480	505	7,041	7,164	87%	317	4.23%
Kern County	22,342	22,734	19,073	6,263	2,637	45,076	27,973	90%	3,171	10.18%
San Joaquin County	15,622	17,888	12,997	4,637	2,475	33,510	20,109	94%	560	2.71%
Stanislaus County	9,323	24,957	11,071	2,711	1,472	34,280	15,254	93%	496	3.15%
Merced County	4,625	6,359	5,784	1,657	1,010	10,984	8,451	94%	276	3.16%
Tulare County	7,434	9,636	9,691	3,089	1,338	17,070	14,118	89%	153	1.07%
Kings County*	3,229	3,161	3,029	1,272	783	6,390	5,084	92%	62	1.20%
Total Central Valley Region	**86,122**	**118,521**	**90,139**	**28,455**	**12,976**	**204,643**	**131,570**	**89%**	**5,348**	**3.91%**
San Diego Region	**83,628**	**160,240**	**42,046**	**13,481**	**11,402**	**243,868**	**66,929**	**67%**	**1,971**	**2.86%**
Central Coast Region										
Monterey County	6,284	10,948	5,173	2,828	1,713	17,232	9,714	84%	666	6.41%
San Luis Obispo County	10,644	14,147	5,296	2,072	1,329	24,791	8,697	90%	252	2.82%
Santa Barbara County	8,662	10,211	4,525	1,573	903	18,873	7,001	75%	67	0.95%
Santa Cruz County	5,987	5,832	2,420	944	751	11,819	4,115	77%	12	0.28%
San Benito County*	1,598	2,241	1,794	864	630	3,839	3,288	96%	26	0.80%
Total Central Coast Region	**33,175**	**43,379**	**19,208**	**8,281**	**5,326**	**76,554**	**32,815**	**84%**	**1,023**	**3.03%**

Table 7

Total Building Permits (including Manufactured Homes for 1990 to 1996)

	1980 to 1984	1985 to 1989	1990 to 1994	1994 to 1996	1997	Permits 1980 to 1989	Permits 1990 to 1997	Single Family as % Total Permits, 1990 to 1997	Manuf. Homes 1990-1996 (see Note)	Manuf. Homes as % of Total Activity
Northern California Region										
Butte County	6,260	7,449	5,932	1,401	591	13,709	7,924	77%	874	9.94%
Shasta County	5,164	6,806	6,872	1,483	676	11,970	9,031	86%	1,191	11.65%
Tehama County*	1,659	1,454	1,421	385	95	3,113	1,901	87%	463	19.60%
Glenn County*	634	372	529	121	100	1,006	750	88%	296	28.32%
Colusa County*	470	382	509	99	52	852	660	88%	217	24.75%
Total Northern California Region	**14,187**	**16,463**	**15,263**	**3,489**	**1,514**	**30,650**	**20,266**	**83%**	**3,041**	**13.05%**
NON-METROPOLITAN AREAS										
Northern Non-metropolitan Region										
Del Norte County*	475	804	676	149	45	1,279	870	84%	637	42.25%
Humboldt County*	1,873	3,069	3,506	1,084	462	4,942	5,052	77%	249	4.70%
Mendocino County*	2,475	2,916	2,036	501	259	5,391	2,796	91%	886	24.06%
Lake County*	2,054	2,035	1,877	274	168	4,089	2,319	95%	1,719	42.57%
Siskiyou County*	2,185	1,183	783	323	138	3,368	1,244	90%	334	21.19%
Modoc County*	305	61	63	-	7	366	70	100%	141	66.79%
Trinity County*	474	410	295	70	31	884	396	99%	56	12.34%
Lassen County*	622	658	536	248	84	1,280	868	83%	502	36.62%
Plumas County*	1,130	943	1,160	231	120	2,073	1,511	98%	613	28.86%
Sierra County*	207	105	96	38	9	312	143	100%	47	24.71%
Nevada County*	6,000	6,007	4,181	1,317	645	12,007	6,143	91%	754	10.93%
Total Northern Non-metropolitan Region	**17,800**	**18,191**	**15,209**	**4,235**	**1,968**	**35,991**	**21,412**	**88%**	**5,938**	**21.71%**
Central-Southern California Region										
Amador County*	1,316	1,629	1,565	327	118	2,945	2,010	95%	546	21.35%
Alpine County*	83	133	82	52	10	216	144	77%	23	14.01%
Calaveras County*	2,958	3,051	2,330	515	260	6,009	3,105	97%	1,282	29.22%
Tuolumne County*	2,430	3,278	2,250	342	246	5,708	2,838	86%	889	23.85%
Mariposa County*	629	782	634	234	58	1,411	926	91%	463	33.35%
Mono County*	1,489	448	403	154	96	1,937	653	81%	232	26.19%
Inyo County*	*320*	*256*	*254*	*39*	*18*	*576*	*311*	*91%*	*223*	*41.75%*
Total Central-Southern California Region	**9,225**	**9,577**	**7,518**	**1,663**	**806**	**18,802**	**9,987**	**91%**	**3,658**	**26.81%**
All Metropolitan Areas	**694,465**	**1,290,538**	**510,095**	**166,441**	**106,955**	**1,985,003**	**783,491**	**76%**	**20,992**	**2.61%**
***Non-Metropolitan Areas**	**36,598**	**38,386**	**34,347**	**9,483**	**4,761**	**74,984**	**48,591**	**88%**	**10,827**	**18.22%**
Total State	**731,063**	**1,328,924**	**544,442**	**175,924**	**111,716**	**2,059,987**	**832,082**	**77%**	**31,819**	**3.68%**
Average Annual Permits	**146,213**	**265,785**	**108,888**	**87,962**	**111,716**	**205,999**	**104,010**		**4,546**	

NOTE: Manufactured homes based on Berlin Reports (1990 to 1996 data) for California, adjusted by location of placements reported by HCD. Since a portion of these units are replacement units, overall additions from manufactured homes overestimate net additional stock.

SOURCE: US Census, C40 Reports 1980-1997; HCD, Manufactured Homes Reported to be Installed on Foundations (1998).

vacancy rates (discussed later). Nonetheless, given the underlying income and demographic shifts during this decade, housing construction is not meeting the demographic and income shifts evident within the State's population, particularly in metropolitan areas of the State. While the distribution of income has remained relatively constant, the dearth of multifamily construction has contributed to tighter rental markets in many areas, impacting rental prices in these areas.

Removals from the Housing Stock

While the need for construction is driven primarily by the demand generated by economic and demographic movements of households within the State, the pace of housing removals also influences the need. Units may deteriorate with age, reach functional obsolescence, or changing local market conditions may lead to the removal and replacement of existing housing supplies.

It is important to differentiate the concept of housing removals and demolitions, since the two concepts are not synonymous. Housing unit demolitions are the physical elimination of housing units, literally eliminating the physical structure. However, demolition of housing units is only a subset of the total units removed from the market. In addition to demolition, housing units may be removed from the market (unavailable for rent or purchase) for a variety of reasons. For instance, a unit may be condemned or occupancy prohibited, though the unit has not been physically removed. The unit could be subjected to fire damage, vandalized, boarded up or lost through a disaster. A unit may not physically be lost from the inventory – the unit could be merged (i.e., two family unit converted to single-family home), or converted (an office for an apartment complex). For all these reasons, the number of units that receive demolition permits underestimate the total number of units removed from the housing stock during a period. While historic demolition activities were tracked through 1994 (by the U.S. Census), information is not centrally collected on other "removals" from the housing market.

From 1990-1997, a total of roughly 47,500 demolition permits were issued throughout the State (see Figure 20).[7] Demolitions have varied tremendously during the past two decades, from a high point that coincided with high construction during the mid-1980s to low rates during the recession at the beginning of the decade.

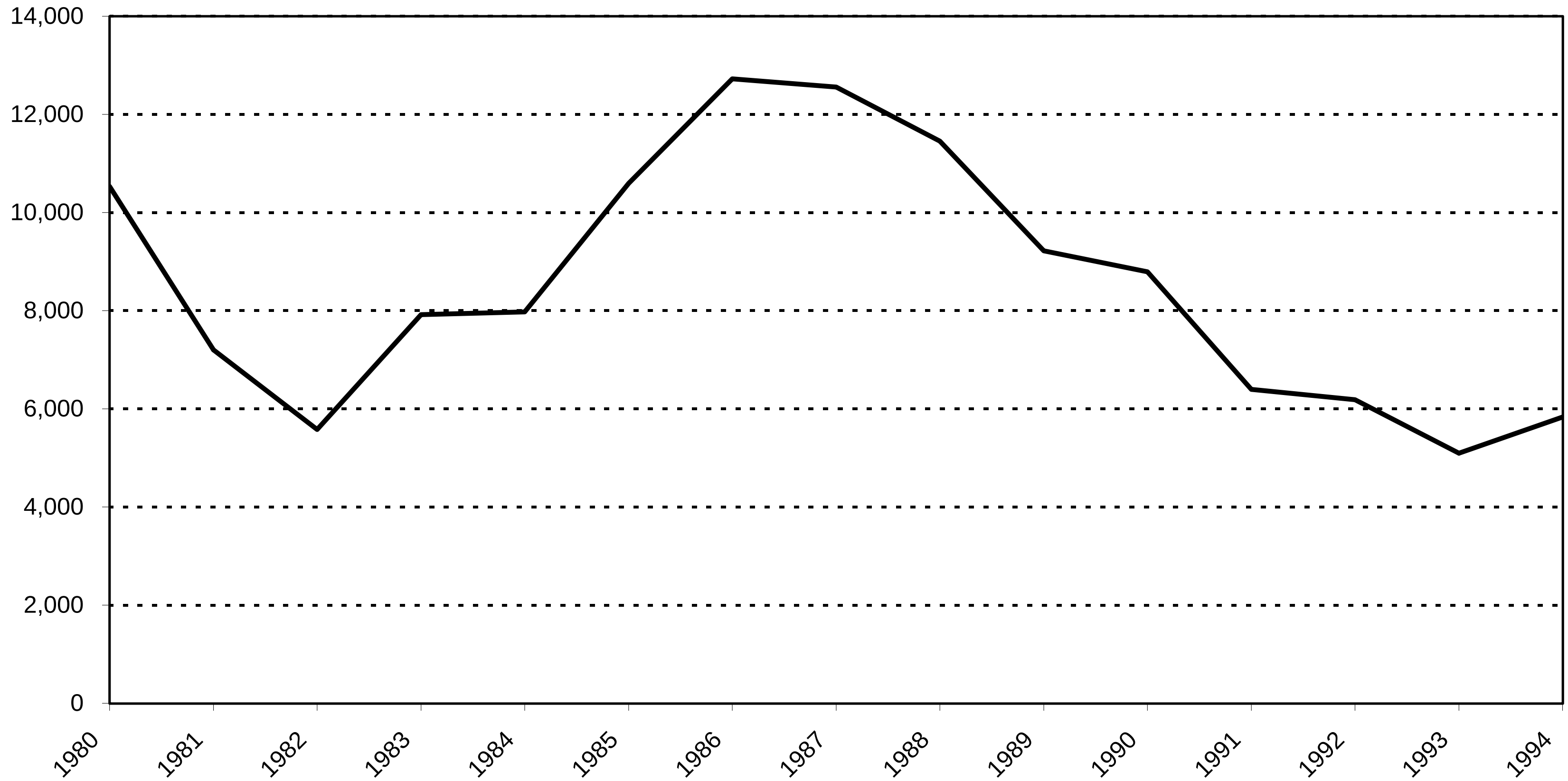
During the past seven years demolitions have averaged about 1.1 percent of 1980 housing stock (or about .11 percent removals annually through the current decade). These demolitions have not occurred uniformly throughout the State. For instance, the overall rate in non-metropolitan areas was about one-half that within metropolitan areas (see Table 8). In addition, overall demolition rates within the Greater Los Angeles Region were about 50 percent higher than the statewide rate, with the rate in Los Angeles County among the highest in within the State (exceeded only in Yuba County). Bay Area demolitions were extremely low, accounting for only 0.5 percent of overall 1980 stock in the Region. Rates in the Bay Area were consistently below all other metropolitan areas within the State.

There is not a consistent source of statewide information for assessing "non-demolition" removals. Detailed information from the American Housing Survey (AHS) does provide insight into the characteristics of the housing stock removed between 1988 and 1994 (see Table 9). These data highlight the characteristics of units that were removed between AHS periods. Since they are removals (not simply demolitions), the estimates for individual metropolitan areas are higher than simply those units demolished. Thus, while demolitions accounted for about 1 percent of overall

Figure 20

Demolition Permits in California

1980-1994



Source: U.S. Census, C-40 Report, various years.

Table 8
Housing Demolitions
1980 to 1994

	Total Demolitions 1980-89	Total Demolitions 1990-1994	1980-89 Demolitions as % of 1980 Housing	Annual Demolitions, 1980 to 1990
Metropolitan Areas				
Greater Los Angeles				
Los Angeles County	54,094	13,288	1.9%	0.2%
Orange County	6,731	2,561	0.9%	0.1%
Riverside County	2,506	1,483	0.9%	0.1%
San Bernardino County	2,102	1,282	0.6%	0.1%
Riverside/San Bernardino	4,608	2,765	0.7%	0.1%
Ventura County	1,132	837	0.6%	0.1%
Imperial County*	545	222	1.8%	0.2%
Total Greater Los Angeles Region	**67,110**	**19,673**	**1.5%**	**0.2%**
Bay Area				
San Francisco County	909	433	0.3%	0.0%
Marin County	686	61	0.7%	0.1%
San Mateo County	1,106	498	0.5%	0.0%
Alameda County	3,305	641	0.7%	0.1%
Contra Costa County	1,598	824	0.6%	0.1%
Santa Clara County	2,374	995	0.5%	0.1%
Sonoma County	323	223	0.3%	0.0%
Solano County	213	426	0.3%	0.0%
Napa County	343	175	0.9%	0.1%
Total Bay Area Region	**10,857**	**4,276**	**0.5%**	**0.1%**
Sacramento				0.0%
Sacramento County	1,530	394	0.5%	0.0%
Placer County	408	217	0.9%	0.1%
El Dorado County	154	147	0.4%	0.0%
Sutter County	64	108	0.3%	0.0%
Yuba County	385	235	2.0%	0.2%
Yolo County	166	104	0.4%	0.0%
Total Sacramento Region	**2,707**	**1,205**	**0.5%**	**0.1%**
Central Valley				0.0%
Fresno County	2,408	910	1.3%	0.1%
Madera County	99	41	0.4%	0.0%
Kern County	2,195	821	1.4%	0.1%
San Joaquin County	1,157	536	0.9%	0.1%
Stanislaus County	537	377	0.5%	0.1%
Merced County	203	141	0.4%	0.0%
Tulare County	695	656	0.8%	0.1%
Kings County*	420	162	1.6%	0.2%
Total Central Valley Region	**7,714**	**3,644**	**1.0%**	**0.1%**
				0.0%
San Diego Region	**4,513**	**1,874**	**0.6%**	**0.1%**
Central Coast Region				0.0%
Monterey County	1,287	624	1.2%	0.1%
San Luis Obispo County	753	447	1.1%	0.1%
Santa Barbara County	671	179	0.6%	0.1%
Santa Cruz County	519	273	0.7%	0.1%
San Benito County*	19	96	0.2%	0.0%
Total Central Coast Region	**3,249**	**1,619**	**0.9%**	**0.1%**
Northern California Region				0.0%
Butte County	460	278	0.8%	0.1%
Shasta County	131	219	0.3%	0.0%
Tehama County*	46	20	0.3%	0.0%
Glenn County*	17	25	0.2%	0.0%
Colusa County*	5	9	0.1%	0.0%
Total Northern California Region	**659**	**551**	**0.5%**	**0.0%**

Table 8 (continued)

Housing Demolitions

1980 to 1994

	Total Demolitions 1980-89	Total Demolitions 1990-1994	1980-89 Demolitions as % of 1980 Housing	Annual Demolitions, 1980 to 1990
NON-METROPOLITAN AREAS				
Northern California Non-metropolitan Region				
Del Norte County*	32	26	0.4%	0.0%
Humboldt County*	171	99	0.4%	0.0%
Mendocino County*	95	81	0.3%	0.0%
Lake County*	113	195	0.6%	0.1%
Siskiyou County*	71	34	0.4%	0.0%
Modoc County*	3	9	0.1%	0.0%
Trinity County*	3	2	0.1%	0.0%
Lassen County*	38	19	0.5%	0.0%
Plumas County*	1	6	0.0%	0.0%
Sierra County*	2	1	0.1%	0.0%
Nevada County*	74	70	0.3%	0.0%
Total Northern California Non-metropolitan Region	603	542	0.4%	0.0%
Central-Southern California Region				0.0%
Amador County*	14	11	0.2%	0.0%
Alpine County*	24	28	3.1%	0.3%
Calaveras County*	32	21	0.3%	0.0%
Tuolumne County*	22	-	0.1%	0.0%
Mariposa County*	1	1	0.0%	0.0%
Mono County*	-	4	0.0%	0.0%
Inyo County*	37	34	0.5%	0.0%
Total Central-Southern California Region	**130**	**99**	**0.2%**	**0.0%**
All Metropolitan Areas	**95,757**	**32,308**	**1.1%**	**0.1%**
***Non-Metropolitan Areas**	**1,785**	**1,175**	**0.5%**	**0.1%**
Total State	**97,542**	**33,483**	**1.1%**	**0.1%**

SOURCE: US Census, C-40 Reports, various years.

Table 9

General Characteristics of Housings Units Removed from the Inventory

Selected Metropolitan Areas in California

	1989 Characteristics of Units Removed by 1993 San Francisco-Oakland (5 County)			1989 Characteristics of Units Removed by 1993 Santa Clara County		
Note: All numbers in 1,000's	Overall Housing Stock	Units Removed from Stock	Percent of Stock	Overall Housing Stock	Units Removed from Stock	Percent of Stock
Total Units	1,514.30	18.2	1.2%	533.9	5.9	1.1%
Units in Structure						
1 attached	772.8	6	0.8%	308.6	3.2	1.0%
1 detached	85.2		0.0%	42.1	0.5	0.0%
2 to 4	234.8	5	2.1%	52.7	1.1	2.1%
5 to 9	137.5	0.9	0.7%	34.7	0.3	0.9%
10 to 19	98.4	0.1	0.1%	34.3	0.3	0.9%
20 to 49	97	0.8	0.8%	31.2		0.0%
50 or more	70.6	4.2	5.9%	10.6		0.0%
Mobile Homes	17.7	1.1	6.2%	19.7	0.5	2.5%
Median Year Built	1957	1942		1967	1952	
Bedrooms						
None	82.1	5.5	6.7%	10.5	0.7	6.7%
1	280.9	4.9	1.7%	69.9	1.8	2.6%
2	470.2	3.2	0.7%	147.9	1.8	1.2%
3	463.3	3.4	0.7%	123.5	1.1	0.9%
4+	217.8	1.1	0.5%	123.5	0.6	0.5%
Tenure						
Rent	644.4	8.4	1.3%	206.1	1.6	0.8%
Owner	773.6	5.3	0.7%	307.7	3.9	1.3%
Vacant	96.3	4.4	4.6%	20.2	0.4	2.0%
Conditions of rental units						
Rats	30.2	1.5	5.0%	8.8	0.7	8.0%
Holes in floor	8.6	0.3	3.5%	2.3	0.1	4.3%
Open cracks/holes in wall	66.2	2.8	4.2%	15.9	0.7	4.4%
Broken Plaster or peeling paint	41.1	1.5	3.6%	7.9	0.7	8.9%
Exposed Wiring	18.4	0.5	2.7%	4.6	0.1	2.2%
Renter Housing Costs						
Under 250	44.1	1.8	4.1%	8.1	0.7	8.6%
250 to 499	125	3.2	2.6%	26.2	0.3	1.1%
500 to 699	201.4	0.9	0.4%	65.4	0.5	0.8%
700 to 999	184	0.5	0.3%	71	0	0.0%
1,000 to 1,249	43.9	0.5	1.1%	18.8	0	0.0%
1,250 to 1,499	19.6	0	0.0%	7.2	0.2	2.8%
Over 1,500	8.3	0.5	6.0%	3.7	0.1	2.7%
No rent	18	1.1	6.1%	5.7	0.4	7.0%
Household Income All Units						
Under 10,000	157.3	3.6	2.3%	34.6	1.4	4.0%
10,000 to 19,999	187	3	1.6%	53.4	0.8	1.5%
20,000 to 29,999	241.8	2.3	1.0%	75.7	1.1	1.5%
30,000 to 49,999	319.6	1.5	0.5%	135.4	1	0.7%
50,000 to 79,999	305.6	2.1	0.7%	125.5	0.8	0.6%
Over 80,000	207.1	2	1.0%	89.2	0.6	0.7%
Household Income Rental Units						
Under 10,000	113.4	2.5	2.2%	22.6	1.2	5.3%
10,000 to 20,000	121	2.5	2.1%	32.1	0.4	1.2%
20,000 to 30,00	136.5	1.8	1.3%	39.7	0.7	1.8%
30,000 to 49,999	156.3	1	0.6%	63.2	0.8	1.3%
50,000 to 79999	85.7	0.5	0.6%	35.9	0.6	1.7%
Over 80,000	31.2		0.0%	12.6	0.2	1.6%
Unit Price						
Under 100,000	70.2	1.2	1.7%	29.2	0.7	2.4%
100,000 to 199,999	177.4	0	0.0%	117	0	0.0%
200,000 to 300,000	228.9	0.5	0.2%	83.9	0.3	0.4%
over 300,000	297	3.7	1.2%	77.4	0.7	0.9%

Source: Supplement to the American Housing Survey for Selected Metropolitan Areas. (Current Housing Reports H171/93 and H171/94).

Table 9 (continued)

General Characteristics of Housings Units Removed from the Inventory

Selected Metropolitan Areas in California

	1990 Characteristics of Units Removed by 1994 Orange County			1990 Characteristics of Units Removed by 1994 Riverside-San Bernardino-Ontario		
Note: All numbers in 1,000's	Overall Housing Stock	Units Removed from Stock	Percent of Stock	Overall Housing Stock	Units Removed from Stock	Percent of Stock
Total Units	893	8.2	0.9%	1015.4	16.6	1.6%
Units in Structure						
1 attached	442.9	2.8	0.6%	645.5	6	0.9%
1 detached	71	0	0.0%	41.7	0.2	0.5%
2 to 4	119.6	1	0.8%	83.3	2.4	2.9%
5 to 9	87.3	2.1	2.4%	54.7	0.9	1.6%
10 to 19	76.2	0.3	0.4%	42.5	0.8	1.9%
20 to 49	44.9	0.4	0.9%	22.1	0.2	0.9%
50 or more	19.9	0.3	1.5%	8.8	0	0.0%
Mobile Homes	31.9	1.5	4.7%	116.7	6.1	5.2%
Median Year Built	1970	1961		1973	1962	
Bedrooms						
None	10.2	0.2	2.0%	9.8	1.3	13.3%
1	124.6	2.7	2.2%	132.2	7.9	6.0%
2	289.6	3.2	1.1%	350.6	4.2	1.2%
3	275.7	1.7	0.6%	357.9	2.3	0.6%
4+	193.5	0.4	0.2%	163.9	0.5	0.3%
Tenure						
Rent	332.6	4.4	1.3%	306.5	5.1	1.7%
Owner	501.7	2.9	0.6%	575.8	5.9	1.0%
Vacant	59.2	0.9	1.5%	133	5.6	4.2%
Conditions of rental units						
Rats	8.9	0.3	3.4%	8.8	0.2	2.3%
Holes in floor	3.7	0.2	5.4%	4.6	0	0.0%
Open cracks/holes in wall	20	1.9	9.5%	24	0.7	2.9%
Broken Plaster or peeling paint	9	0.3	3.3%	16.4	0.5	3.0%
Exposed Wiring	4.8	0.2	4.2%	7	0.2	2.9%
Renter Housing Costs						
Under 250	7.3	0	0.0%	19.2	0.7	3.6%
250 to 499	15.3	0.4	2.6%	81.7	1.8	2.2%
500 to 699	79.5	2	2.5%	116.4	1.4	1.2%
700 to 999	151.2	1.2	0.8%	57.7	0.3	0.5%
1,000 to 1,249	40.4	0	0.0%	12.5	0	0.0%
1,250 to 1,499	20.6	0	0.0%	3	0	0.0%
Over 1,500	11.2	0.3	2.7%	1	0.3	30.0%
No rent	7.1	0.4	5.6%	15.1	0.5	3.3%
Household Income All Units						
Under 10,000	62.5	0.9	1.4%	138.2	4.5	3.3%
10,000 to 19,999	80.6	1.4	1.7%	154.4	2.8	1.8%
20,000 to 29,999	123.6	1.2	1.0%	149	2.8	1.9%
30,000 to 49,999	202.9	2.5	1.2%	210.5	0.9	0.4%
50,000 to 79,999	201	0.9	0.4%	144.9	0.2	0.1%
Over 80,000	163.8	0.4	0.2%	85.3	0	0.0%
Household Income Rental Units						
Under 10,000	31.2	0.5	1.6%	69.5	2.7	3.9%
10,000 to 20,000	46.5	0.4	0.9%	78.2	1.4	1.8%
20,000 to 30,00	67.3	0.3	0.4%	65.9	0.7	1.1%
30,000 to 49,999	103.8	2.2	2.1%	62.5	0.5	0.8%
50,000 to 79999	60.3	0.9	1.5%	23.7	0	0.0%
Over 80,000	23.6	0	0.0%	6.7	0	0.0%
Unit Price						
Under 100,000	46.3	1.6	3.5%	196.9	5.8	2.9%
100,000 to 199,999	110.2	0.7	0.6%	264	0.2	0.1%
200,000 to 300,000	178.5	0.6	0.3%	75.2	0	0.0%
over 300,000	159.2	0	0.0%	39.8	0	0.0%

Source: Supplement to the American Housing Survey for Selected Metropolitan Areas. (Current Housing Reports H171/93 and H171/94).

Table 9 (continued)

General Characteristics of Housings Units Removed from the Inventory

Selected Metropolitan Areas in California

Note: All numbers in 1,000's	1991 Characteristics of Units Removed by 1994 San Diego County		
	Overall Housing Stock	Units Removed from Stock	Percent of Stock
Total Units	963.9	9.2	1.0%
Units in Structure			
1 attached	485.4	4.8	1.0%
1 detached	66.3	0.7	1.1%
2 to 4	94.1	1.3	1.4%
5 to 9	98.9	0	0.0%
10 to 19	91	0.7	0.8%
20 to 49	51.4	0.2	0.4%
50 or more	29.6	0.5	1.7%
Mobile Homes	47.2	1	2.1%
Median Year Built	1971	1962	
Bedrooms			
None	17.4	0.7	4.0%
1	156	3.7	2.4%
2	352.2	3.3	0.9%
3	291.5	1.2	0.4%
4+	146.7	0.2	0.1%
Tenure			
Rent	398.4	5.9	1.5%
Owner	480.6	1.3	0.3%
Vacant	84.9	2	2.4%
Conditions of rental units			
Rats	11.4	0	0.0%
Holes in floor	5.1	0	0.0%
Open cracks/holes in wall	24.8	0.7	2.8%
Broken Plaster or peeling paint	16.1	0.7	4.3%
Exposed Wiring	9.6	1	10.4%
Renter Housing Costs			
Under 250	17.9	0.8	4.5%
250 to 499	76.7	1.6	2.1%
500 to 699	148.2	1.6	1.1%
700 to 999	107.2	1.2	1.1%
1,000 to 1,249	22.8	0.2	0.9%
1,250 to 1,499	9.5		0.0%
Over 1,500	5.8	0.2	3.4%
No rent	10.2	0.3	2.9%
Household Income All Units			
Under 10,000	84.7	1.9	2.2%
10,000 to 19,999	143.4	1.6	1.1%
20,000 to 29,999	163.3	1.8	1.1%
30,000 to 49,999	211.5	1	0.5%
50,000 to 79,999	167.3	0.2	0.1%
Over 80,000	108.8	0.7	0.6%
Household Income Rental Units			
Under 10,000	57.8	1.6	2.8%
10,000 to 20,000	95.7	1.6	1.7%
20,000 to 30,00	91.2	1.8	2.0%
30,000 to 49,999	94.9	1	1.1%
50,000 to 79999	45.4	0	0.0%
Over 80,000	13	0	0.0%
Unit Price			
Under 100,000	64.4	0.8	1.2%
100,000 to 199,999	199.6	0	0.0%
200,000 to 300,000	120.7	0.4	0.3%
over 300,000	95.9	0	0.0%

Source: Supplement to the American Housing Survey for Selected Metropolitan Areas. (Current Housing Reports H171/93 and H171/94).

stock, the overall removal rates for units are higher. In each area, removals accounted for between 0.9 to 1.6 percent of stock during the five-year period, implying removal rates that are nearly twice those of demolitions.

Because of small sample sizes, these estimates should only be taken as relative indicators of underlying housing market activity. Given this qualifier, there were commonalties for the units removed in all the metropolitan areas.

- As would be expected, the median age of structures that are removed is greater than ages in the overall stock.
- In all cases, vacant units were more likely to be removed from the market. Between 1.5 and 4.6 percent of vacant units in the 1988-90 period were removed within the next 4 to 5 years.
- With the exception of Orange County, rental units were more likely to be removed than ownership units – up to 5 times more likely in San Diego County.
- In general, removals tended to be smaller units, particularly studio units.
- Removals were more prevalent in structures with a larger number of units (though for most areas this bias was not pronounced).
- In the rental stock, units removed tended to have more concentrated housing unit deficiencies.
- Manufactured homes accounted for the highest removal rates among structure types.

The underlying financial characteristics of units were also similar:

- Rental removals are more concentrated in the lowest rent stock, including those units with no rent paid.
- However, removals are not restricted to lowest cost units – in each area a portion of the units removed were from the higher portion of the rent stock, presumably to replace rental units with ownership properties (although this cannot be determined with available information).
- Prior to removal, units were far more likely to be occupied by households with lower household incomes, and units removed from the ownership market were disproportionately at the lower end of the housing values.

In summary, in assessing the need for housing to replace housing stock that “falls” out of the housing market, the underlying demolition data underestimates the true losses of stock. From survey data collected as part of the AHS, it appears that removals may be up to twice underlying demolition permit rates. Further, units removed from the market during the 1988 to 1994 period tended to be older, smaller, rental or vacant housing units, with a higher incidence of physical problems than the overall stock. The units were at the lower end of the rental or price scale, and previous occupants tended to be relatively poor households.

The Condition of Housing

The State's housing stock varies in the level and quality of service that it affords residents. In particular, housing resources within the State deteriorate over time, unless housing units receive periodic updating. This deterioration often leads to removal and/or demolition of housing, particularly if mechanical and exterior components of housing units are not upgraded.

While the majority of housing within the State is well maintained and in good condition, there is a significant portion of housing throughout the State that is in need of repair or replacement. Lower-income households often occupy this stock. For owners, the problem is often one of ongoing maintenance problems – for these households, low incomes lead to a lack of funds for maintenance and repairs. For rental properties, rents that can be collected on properties may not be sufficient to cover the needed costs, leading to deterioration.

The AHS provides detailed information on the overall condition of housing stock within several metropolitan areas within the State.[8] The information permits an assessment of interior and exterior conditions of housing units as well as the occupancy characteristics of households within these units, particularly tenure of occupants. Unit and building characteristics permit a detailed examination of interior and exterior quality in assessing overall housing conditions. The condition of several key mechanical systems can be assessed and units rated in their adequacy along these dimensions (see Table 10 for outline of characteristics defining inadequate housing).

Overall housing conditions within these metropolitan areas vary significantly (see Table 11). The portion of housing stock with problems ranges from less than 5 percent (in both Marin and San Mateo counties), to about 17 percent (in San Francisco County). In general, there is a relationship between the age of the housing stock within metropolitan areas and the incidence of problems within the housing stock, as would be expected (the greater the age of housing, in general the greater the need for maintenance, repair and/or replacement of key mechanical systems of the housing unit).

Moreover, problems with the housing stock tend to be concentrated in interior housing unit deficiencies; generally two to three times as many units have interior problems as units with exterior problems (although a significant number of housing units have both interior and exterior problems). Thus, as housing units age and often are not as competitive within the housing market (particularly in the amount of rent they can command), they increasingly face the need for mechanical system repair and/or replacement. Too often, this maintenance need is deferred, particularly interior repair needs.

Finally, these recent figures are generally consistent with earlier assessments of rehabilitation needs conducted by the State about a decade ago (reported in the 1990 California Statewide Housing Plan Update). While overall rehabilitation need for each county does not match precisely, on balance, estimates from both sources reveal similar total need within the State.

Assuming earlier estimates of need are consistent for those counties without more recent detailed estimates, the overall need for housing rehabilitation need is approximately 12 percent (or 1.4 million housing units) statewide (see Table 12). These estimates assume that overall incidence of rehabilitation needs for housing remain at about one quarter of total stock for more non-metropolitan counties within the State, while metropolitan area rehabilitation need is approximately 12 percent of overall stock. The Central Non-metropolitan Region of the State has a particularly high proportion of estimated rehabilitation need (36 percent).

Table 10

Unit and Building Characteristics for Housing Units with Problems

Unit Component	Definition of Substandard Condition
Plumbing	Lacking hot piped water or a flush toilet, or lacking both bathtub and shower, all for exclusive use of the unit. Having the toilets all break down at least once, at least three times in the last three months, for at least six hours each time.
Heating	Having been uncomfortably cold last winter, for 24 hours or more because the heating equipment broke down at least three times last winter for at least six hours each time. Having unvented gas, oil or kerosene heaters as the main source of heat; these give off unsafe fumes.
Unit Upkeep	Having three of the following six maintenance problems: * leaks from outdoors * leaks from indoors * holes in the floor * holes or open cracks in the walls or ceilings * more than a square foot of peeling paint or plaster * rats in the last 90 days
Hallways	Having three of the following problems in public hallways: * no working light fixtures * loose or missing steps * loose or missing railings * no elevator
Electrical	Having no electricity. Having all of the following electrial problems: * exposed wiring * a room with no working outlets * three blown fuses or tripped circuit breakers in the last 90 days
Kitchen	Lacking a sink, range, or refrigerator, all for the exclusive use of the unit.
Exterior Conditions	Building has any of the following: * Sagging or missing roof materials * Roof has hole (s) * Building walls missing wall materials/siding * Building has sloping outside walls * Building has crumbling foundation

Source: Adopted from ***Codebook for the American Housing Survey: 1973 to 1993****, 1990 (pages 66-68).*

Table 11

Substandard Units and Structures

1993-95

	Year of Analysis	RENTAL UNITS			OWNERSHIP UNITS			TOTAL UNITS		
		Housing or Structure Problems (see Note 1)	Adquate Units	% with Problems	Housing or Structure Problems (see Note 1)	Adquate Units	% with Problems	Housing or Structure Problems (see Note 1)	% with Problems	% with Problems (1989 Assessment) (See Note 2)
Metropolitan Areas										
Greater Los Angeles Area										
Los Angeles-Long Beach	1995	*328,948*	*1,453,537*	*18.5%*	*108,832*	*1,257,259*	8.0%	437,780	14%	13%
Orange County	1994	*55,415*	*374,589*	*12.9%*	*17,991*	*510,291*	*3.4%*	73,406	8%	6%
Riverside	1994	27,536	132,832	17.2%	13,876	313,653	4.2%	41,412	8%	10%
San Bernardino	1994	37,016	166,982	18.1%	27,334	317,561	7.9%	64,350	12%	12%
Riverside/San Bernardino	1994	*64,552*	*299,814*	*17.7%*	*41,210*	*631,214*	*6.1%*	105,762	10%	11%
Bay Area										
San Francisco	1993	45,617	174,747	20.7%	8,995	97,195	8.5%	54,612	17%	16%
Marin	1993	2,671	33,847	7.3%	1,942	61,968	3.0%	4,613	5%	8%
San Mateo	1993	8,566	92,869	8.4%	3,973	148,715	2.6%	12,539	5%	7%
San Francisco	1993	56,854	301,463	15.9%	14,910	307,878	4.6%	71,764	11%	12%
Alameda	1993	32,150	213,477	13.1%	14,080	258,364	5.2%	46,230	9%	13%
Contra Costa	1993	14,205	103,410	12.1%	15,362	209,411	6.8%	29,567	9%	9%
Oakland	1993	*46,355*	*316,887*	*12.8%*	*29,442*	*467,775*	*5.9%*	75,797	9%	12%
San Francisco Oakland	1993	*103,209*	*618,350*	*14.3%*	*44,352*	*775,653*	*5.4%*	147,561	10%	
San Jose	1993	*20,766*	*212,016*	*8.9%*	*13,521*	*320,812*	*4.0%*	34,287	6%	8%
Sacramento										
Sacramento	1996	23,707	174,553	12.0%	17,280	251,401	6.4%	40,987	9%	12%
Placer	1996	2,839	22,282	11.3%	3,894	59,103	6.2%	6,733	8%	13%
El Dorado	1996	2,778	14,482	16.1%	3,286	38,706	7.8%	6,064	10%	14%
Sacramento	1996	*29,324*	*211,317*	*12.2%*	*24,460*	*349,210*	*6.5%*	53,784	9%	13%
San Diego	1993	*34,500*	*412,077*	*7.7%*	*25,700*	*494,749*	*4.9%*	60,200	6%	9%

Notes: 1. See Table 13 for description of Housing and Structure Problems.

2. Percent of Units with Problems in 1989 reflect estimates from the California Statewide Housing Plan Update, 1990.

Source: American Housing Survey, Metropolitan Series, Various Years.

Table 12

Estimated Substandard Units and Structures

1997

	TOTAL UNITS	
	Housing or Structure Problems	**% with Problems**
Metropolitan Areas		
Greater Los Angeles Area		
Los Angeles County	451,500	14%
Orange County	71,600	8%
Riverside County	46,900	8%
San Bernardino County	69,500	12%
Ventura County	[17,100]	[7%]
Imperial County*	[14,400]	[34%]
Total Greater Los Angeles Area	**671,400**	**12%**
Bay Area		
San Francisco County	56,000	17%
Marin County	4,700	5%
San Mateo County	12,800	5%
Alameda County	46,500	9%
Contra Costa County	29,600	9%
Santa Clara County	34,200	6%
Sonoma County	[17,700]	[10%]
Solano County	[19,700]	[15%]
Napa County	[6,700]	[14%]
Total Bay Area	**226,300**	**9%**
Sacramento		
Sacramento County	[40,100]	9%
Placer County	[7,300]	8%
El Dorado County	[7,100]	10%
Sutter County	[5,100]	[18%]
Yuba County	[5,000]	[22%]
Yolo County	[8,800]	[15%]
Total Sacramento Area	**74,600**	**12%**
Central Valley		
Fresno County	[53,200]	[20%]
Madera County	[8,000]	[21%]
Kern County	[49,600]	[22%]
San Joaquin County	[38,300]	[21%]
Stanislaus County	[23,500]	[16%]
Merced County	[16,000]	[24%]
Tulare County	[29,500]	[25%]
Kings County*	[9,700]	[28%]
Total Central Valley Area	**226,400**	**21%**
San Diego	**62,700**	**6%**
Central Coast		
Monterey County	*[16,700]*	*[13%]*
San Luis-Obispo County	*[13,600]*	*[14%]*
Santa Barbara County	*[12,900]*	*[9%]*
Santa Cruz County	*[12,400]*	*[13%]*
San Benito County*	[3,100]	[21%]
Total Central Coast	**58,700**	**12%**

Table 12 (continued)

Estimated Substandard Units and Structures

1997

	TOTAL UNITS	
	Housing or Structure Problems	**% with Problems**
Northern California		
Butte County	[18,700]	[22%]
Shasta County	[14,600]	[21%]
Tehama County*	[4,900]	[21%]
Glenn County*	[2,500]	[25%]
Colusa County*	[1,800]	[26%]
Northern California	**42,500**	**22%**
NON-METROPOLITAN AREAS		
Northern California Non-metropolitan		
Del Norte County*	[3,400]	[33%]
Humboldt County*	[14,500]	[26%]
Mendocino County*	[6,600]	[18%]
Lake County*	[6,300]	[20%]
Siskiyou County*	[5,400]	[25%]
Modoc County*	[1,700]	[33%]
Trinity County*	[4,000]	[50%]
Lassen County*	[2,900]	[26%]
Plumas County*	[3,200]	[24%]
Sierra County*	[500]	[24%]
Nevada County*	[5,600]	[13%]
Northern California Non-metropolitan Total	**54,100**	**23%**
Central Southern California		
Alpine County*	[200]	[15%]
Amador County*	[2,300]	[16%]
Calaveras County*	[4,700]	[21%]
Inyo County*	[3,100]	[34%]
Mariposa County*	[1,900]	[21%]
Mono County*	[1,800]	[16%]
Tuolumne County*	[5,900]	[21%]
Central Southern California Total	**19,900**	**36%**
Metropolitan Areas	**1,326,200**	**12%**
Non-metropolitan Areas*	**110,400**	**26%**
Total State	**1,436,600**	**12%**

NOTE:

All figures in brackets [ ] are based on estimate of rehabilitation and replacement need percentages from the California Statewide Housing Plan Update, Table III-27A and Table III-27B. Other estimates from AHS data. All estimates of rehabilitation are based on total housing units reported in 1997 DOF E-5 housing estimates.

Sources: 1990 Califonria Statewide Housing Plan Update, American Housing Survey.